



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION I  
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November 23, 2007

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

THRU: James E. Dyer, Director *JEDyer*  
Office of Nuclear Reactor Regulation

FROM: *Samuel J. Collins*  
Samuel J. Collins  
Regional Administrator  
Region I

SUBJECT: REQUEST FOR DEVIATION TO THE ACTION MATRIX TO  
PROVIDE HEIGHTENED NRC OVERSIGHT OF SECURITY  
ISSUES AT PEACH BOTTOM ATOMIC POWER STATION

The purpose of this memorandum is to request your approval to deviate from the Reactor Oversight Process (ROP) Action Matrix in order to provide increased NRC oversight of the Peach Bottom Atomic Power Station (Peach Bottom) and activities of the licensee, Exelon Generation Company, LLC (Exelon). This action is requested to enable: (1) enhanced NRC oversight of Exelon's performance relative to the transition from a contracted security force to a proprietary security organization; (2) review of Peach Bottom's root cause analysis for the 2007 inattentive security officer events, follow-up of the associated corrective actions, and completion of the associated significance determinations; (3) monitoring of Exelon's safety conscious work environment (SCWE) efforts as committed to in their letter of October 4, 2007; and (4) verification of the completion of confirmatory action letter (CAL) commitments and associated corrective actions.

Background

On September 10, 2007, WCBS-TV made the NRC aware of the existence of videotapes showing security officers potentially inattentive to duty while in Peach Bottom's "ready rooms." While the validity and nature of the inattentiveness was not yet known, the NRC began enhanced inspection oversight of security at PBAPS and verbally referred the information to Exelon management for investigation the same day. The NRC had the opportunity to view these videos on September 19, 2007. In response to the viewing of these videos and NRC knowledge of Exelon's investigation details, it was determined on September 20, 2007, that an Augmented Inspection Team (AIT) was warranted.

NRC dispatched an AIT on September 21, 2007, to review issues associated with inattentive security officers at Peach Bottom as well as providing increased regulatory oversight to ensure the effectiveness of physical security at the facility. The AIT's conclusions, presented at a public exit meeting on October 9, 2007, included that security officers had been inattentive on multiple occasions, and that supervisors failed to correct the inattentive behavior. The AIT further concluded that prompt corrective actions implemented by Peach Bottom management in September 2007 were appropriate.

NRC issued a CAL to Exelon on October 19, 2007, to confirm Exelon's agreement to take certain actions in response to the Peach Bottom inattentive security officers. These actions include:

- detailed briefings to security force personnel;
- observations of various aspects of the security program;
- corporate security management providing 24-hour supervisory oversight of security activities;
- site security management providing 10-hour oversight of security activities, above normal staffing limits, to both day and night shifts;
- providing continuous observation and oversight of security personnel in designated security staging areas, and
- keeping the NRC informed of the status of the Peach Bottom transition plan from a contractor to a proprietary security force.

The commitments of the CAL will remain in effect until the NRC has reviewed Exelon's completed root cause analysis, reviewed corrective actions associated with that analysis, and concluded that Exelon's actions, taken or proposed, are adequate.

NRC provided enhanced inspection and management oversight of the Peach Bottom security program during the transition to an Exelon proprietary security force, and will review the effectiveness of that transition.

#### Deviation Basis

The ROP Action Matrix includes a range of licensee and NRC actions for each column of the Matrix. However, as discussed in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," there may be instances when the actions prescribed by the Action Matrix may not be appropriate. In the case of Peach Bottom, the actions provided for by the ROP for Column 1 plants do not provide the level of oversight needed to appropriately monitor licensee efforts to address the issues identified by the AIT and in the CAL.

The AIT follow-up inspection team will characterize any AIT-identified issues and any new issues as performance deficiencies. NRC reviews to determine if willful acts contributed to the problems are ongoing. The NRC reviews may: (1) find that all, some, or none of the performance deficiencies are willful; or, (2) find additional problems, of which all, some, or none are willful.

Handbook 8.3, "NRC Incident Investigation Program," Section III.G, "Followup," states that followup activities after an AIT will be conducted through normal organizational structure and procedures. Inspection Manual Chapter (IMC) 0320, "Operating Reactor Security Assessment Program," Section 06.05, "NRC Responses to Licensee Performance," and Section 0320-03, "Applicability," reference IMC 0305, "Operating Reactor Assessment Program." Inspection Manual Chapter 0305, Section 06.05.a, "Description of the Action Matrix," states "Agency actions beyond the baseline inspection program will normally occur only if assessment input thresholds are exceeded." Section 06.05.b, "Expected Responses for Performance in Each Action Matrix Column," in Subsection 1, "Licensee Response Column," states in part, "The licensee will receive only the baseline inspection program."

Region I believes that Exelon's planned actions to address the inattentive security officer events, and the transition to a proprietary security force for the Peach Bottom site warrant additional inspection oversight and additional engagement by NRC management beyond that specified in the Reactor Oversight Program baseline inspection program.

The purpose of this Deviation Memo is to allow for increased regulatory oversight of the security program at Peach Bottom without exceedence of the assessment input thresholds.

#### Planned Actions

#### Requested Deviation

The region requests your approval to deviate from the ROP Action Matrix to provide the following inspection oversight for Peach Bottom for the remainder of calendar year 2007 and throughout calendar year 2008 (ROP 9).

The NRC intends to perform the following actions at Peach Bottom to monitor Exelon's progress in transitioning to a proprietary Exelon security organization:

- Conduct an inspection to verify that Exelon is monitoring the performance of security force personnel, and that security personnel are trained in all aspects of supporting the safe operation of the facility.
- Conduct an inspection of the fitness-for-duty (FFD) program to the extent it applies to the continuous behavioral observation program and security force work hours, to verify that security force personnel have been appropriately trained on FFD awareness, and to verify that FFD procedure changes have appropriately captured lessons learned.

The NRC intends to perform the following actions at Peach Bottom to monitor Exelon's progress on the commitments listed in the CAL:

- Perform specialist inspections of CAL items and associated corrective actions to verify completion.
- Perform specialist reviews of corrective action effectiveness, above the baseline minimum samples. For example, a special review of the effectiveness of the corrective actions developed by Exelon's root cause assessment for the inattentive security officer issues will be conducted to ensure the issues are fully resolved.
- Conduct inspections of Exelon's efforts to address safety conscious work environment (SCWE) issues, including a review of the results of Exelon's SCWE surveys.
- Increase the level of effort for the security portion of the resident inspector plant status inspections from 2 hours to 10 hours per month, to include observation of activities at fixed security posts and staging areas.

This proposed additional inspection oversight (including preparation and documentation) totals approximately 0.6 to 0.85 full time equivalent personnel. Region I intends to accomplish this additional effort at Peach Bottom through the use of budgeted resources.

In addition to the inspection activities detailed above, Region I proposes the following management activities which are also outside those specified in the ROP:

- Conduct periodic management meetings and branch chief site visits focused on Exelon's continuing improvement initiatives in the areas of security, behavioral observation program, and SCWE. In addition, this would include Regional Administrator (RA) and/or Deputy RA involvement in the annual assessment (public) meeting and, potentially, other periodic or special meetings and site visits to address issues of heightened public interest.


- Senior Management review and approval of assessment letters and special correspondence with Exelon and external stakeholders. An example would include subsequent CAL correspondence.
- Routine telephone calls (approximately weekly) between regional management and Peach Bottom site management to discuss Exelon's progress in implementing a proprietary security organization, results of SCWE surveys, and progress of corrective actions resulting from the root cause assessment of inattentive security officers.
- DRP and DRS branch chiefs and inspection personnel will attend selected security shift turnovers to introduce himself/herself to each crew, and provide a summary of the AIT findings.

#### Return to Normal NRC Monitoring

The staff plans to return to normal NRC monitoring efforts consistent with the Action Matrix following NRC verification of the satisfactory completion of Exelon's corrective actions from their root cause assessment. It is anticipated that a return to normal monitoring would occur in the latter half of 2008. The region would request an extension beyond 2008 if on-going NRC reviews (including, but not limited to, those associated with any potential willful actions) provide information indicating the need for additional oversight.

Consistent with the Staff Requirements Memorandum (SRM) dated May 27, 2004 (ML 041480131), a copy of this Deviation Memorandum will be provided to the Commission and the deviation will be discussed at the next Agency Action Review Meeting. Pending your approval, the NRC staff will develop a communication approach to ensure that the licensee and stakeholders are appropriately informed.

Approval

 11/28/07  
Luis A. Reyes  
Executive Director for Operations

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